

North Carolina's  
Program Year 2004 Plan  
for Wagner-Peyser  
Reemployment Services

## **Assessing the Need**

In recent years, North Carolina has been adversely affected by high unemployment levels, primarily the result of job losses in our State's traditional manufacturing industries of textiles, apparel, and furniture. As in many states, foreign competition has resulted in the loss of many manufacturing jobs. From July 2003, when the unemployment rate was 6.6%, the State's unemployment rate remained at or above 6% through February 2004, and the rate was consistently higher than the national rate.

North Carolina's collocation of Unemployment Insurance and Employment Service staff in local offices throughout our State has been a strength through the years as it facilitated early reemployment services, frequent staff contact, and on-going job search assistance, resulting in a speedier transition to employment. In recent years high levels of unemployment and increased demand for unemployment insurance services has limited our ability to provide intensive job placement services. In 2003, due to high unemployment, North Carolina's reserve fund had to be used for the payment of unemployment benefits. This Fund was a source of revenue which provided funding for a significant number of local office positions and its loss resulted in a layoff of intermittent staff in September 2003. Also, employers have hired fewer new workers. All of these factors have impeded our ability to provide reemployment services.

During Program Year 2004, the reemployment services for unemployed customers will probably be impacted by the dramatic transition that is underway in our Agency. During the current Program Year, we will begin processing most initial unemployment insurance claims by telephone and the internet rather than through face-to-face interviews in our offices. We intend to utilize a profiling model to identify, for staff-assisted services, those UI claimants who are most likely to exhaust benefits. As we transition to these new service delivery methods, we will continue to monitor FREI enrollment criteria in order to improve selection for program participation and thus optimize resources. FREI staff will focus on serving those unemployed customers who would benefit most from intensive staff-assisted services.

In North Carolina, the allocation of Wagner-Peyser resources for reemployment services, was initially designed to target the ten local offices with the highest number of unemployed individuals filing for benefits. After the first year FREI services were expanded to twenty offices using the same selection criteria. With less funding for PY2004, the number of offices involved has been reduced to nineteen. These resources will be used to fund at least one staff position at each of the designated local offices that will focus on providing early intervention and intensive staff-assisted services in order to facilitate the reemployment of unemployed individuals.

## **Project Operation**

Due to the diversity of the local labor markets in North Carolina, the Federal Reemployment Initiative Program (FREI), as it is called in North Carolina, was implemented in a manner that encourages flexibility and control at the local level. Broad operational guidelines were developed so that local management and staff could customize the FREI program to meet the needs of the

community being served. The lack of a regimented process for every location has proven to be another program strength. Local flexibility in developing the specifics of FREI has resulted in creativity and innovation in the delivery of meaningful services to customers.

Each of the nineteen FREI offices is unique with a unique labor force and employer base. The flexibility to customize services gives local offices the ability to focus on services that will expedite reemployment in that respective labor market. It benefits employer customers as well, by focusing staff efforts on delivering those services that are most likely to assist employers in locating qualified workers. Flexibility in program design has been motivating for staff and it has resulted in positive customer outcomes.

A major strength of our Federal Reemployment Initiative is the emphasis on collaboration with local JobLink Partners (a.k.a One-Stop Partners in other states) to provide a full range of seamless services to FREI participants. In North Carolina, the majority of the ESC local offices have been designated JobLink Career Centers, thereby facilitating cooperation with our JobLink Partners. Also, local ESC staff provides services at all JobLink Centers operated by other service providers, such as local community colleges, the social service departments, and community-based organizations. Half of the nineteen FREI offices utilize partner agency staff to provide job seeking skills workshops.

The eight week FREI Program begins when the customer files an initial claim for unemployment insurance benefits. In previous years, enrollment criteria has varied with some offices enrolling every claimant in the FREI program, some giving the claimant the choice, and others allowing the employment consultant to make the decision. For Program Year 2004, local office staff have been encouraged to be more restricted in selecting FREI participants, basing their decision on including those claimants who would benefit most from participation in intensive reemployment services. We believe that focusing on those who would benefit most will be a more efficient and effective use of the limited funding.

The thrust of FREI is early intervention and frequent customer contact. The Program goals are 1) Providing those services which will result in the most expeditious reemployment of FREI Program participants; 2) Maintaining reduced levels of employer taxes by generating Trust Fund savings through shortening the duration of the average unemployment insurance claim; 3) Helping North Carolina employers meet their labor needs by referring qualified job candidates with recent work experience; and 4) Expediting employers' interviewing processes as a result of FREI participants having better job seeking skills (interviewing, resume' preparation, etc).

While all the workshops include instruction on job search techniques, application/ resume development, interviewing skills, and related available services, some offices add instruction on coping skills, such as managing finances and handling stress. In some ESC offices, the workshops may be held once or twice a week, whereas other offices may offer them as many as seven times a week. Some offices use the ESC Counselors to provide the workshops whereas other offices have Community College staff conduct the entire workshop. Another variation has community college or other partner staff providing a portion of the workshop. The workshops may be held at the ESC office, the community college, or at a different JobLink partner site. Employers with large layoffs have allowed the workshops to be held onsite at the place of business.

A monthly year-to-date management information report will be utilized to measure reemployment activity in those offices allocated staff as a result of the reemployment grant. This report affords management the opportunity to examine outcomes and monitor the effectiveness of program services. Additionally, information obtained from this report is used to target those offices that may be in need of staff support assistance.

The FREI Program is comprised of three components: *Orientation*, *Job Seeking Skills Workshops*, and *Intensive Job Search and Follow-up*. These components are designed to maximize exposure to the local labor market and to expedite the job matching process.

- The ***Orientation*** component is designed to familiarize customers with the services they will be receiving and to inform them about the automated service systems which can assist in their job search efforts. Questionnaires are frequently used in the Orientation component to assess the customers' strengths and needs. The information is used to customize elements of the Job Seeking Skills workshops. Referrals may also be made to other service providers.
- After the prerequisite Orientation, all participants attend a ***Job Seeking Skills Workshop*** to learn new and more effective job search methods. As mentioned earlier, half of the offices in the state utilize their community college partners in providing the workshops. In some offices, the entire workshop is conducted by the community college staff, whereas in other offices, the community college representative is one of many presenters. Employers are sometimes utilized to advise on interview and application techniques. Topics covered in the workshops are tailored to the local labor market conditions as well as to the education and experience level of the participants.
- In the ***Intensive Job Search and Follow-up*** component, customers develop a specific job search plan targeted to their job interests and the local labor market. As a part of this component, program participants have regular and frequent contact with staff. These contacts enable local staff to provide job referrals and develop job opportunities for unemployed customers, to review their work search efforts and to answer questions. Staff have contact with customers bi-weekly after the Job Seeking Skills workshop. After eight weeks, those participants that have not entered employment are transferred to the regular eligibility review program.

### **Positive Outcomes Expected**

In recent years, our ability to provide reemployment services for unemployed individuals has been impacted by a major shift in North Carolina's labor market. North Carolina has experienced a major decline in manufacturing jobs and significant growth in service sector jobs. The majority of the nineteen counties where FREI services are provided have been impacted by this shift in the structure of the State's labor market. Even though changes in North Carolina's economy have made it more difficult for many unemployed individuals to find work, the FREI program has had a positive impact in helping citizens return to work in those counties with the highest unemployment rates.

As stated earlier, during Program Year 2004, the FREI program will be impacted by the transition to Call Center and internet filing of initial claims for unemployment benefits. However, the implementation of these automated service systems should enable staff to devote more time to providing intensive services to FREI participants and other U.I. claimants with the ultimate goal of finding jobs for unemployed individuals.

Based on our success in providing services to FREI participants, during PY2003, we plan to continue our existing service delivery methods with minor modifications. During PY2003, the number of individuals participating in the FREI program was 20% higher than the number served during PY2002. The number of FREI participants referred to jobs increased by 26% from PY2002 to PY2003. Also, the preferential services provided to FREI participants resulted in positive results when compared to non-claimant individuals. Statewide, during PY2003, over one fifth (21%) of FREI claimants entered employment, while 18% of the non-claimants entered employment. The number of FREI participants entering employment during PY2003 was 21% higher than the entered employment level for PY2002. For PY2004, we project to increase the rate of entered employment to 23% of FREI claimants. With an even more intense follow-up and a stronger involvement from local office staff in placing FREI claimants, we should achieve our goal.

We have found that frequent contact through staff-assisted services is the key to providing effective reemployment services for unemployment customers. The local offices with the greatest success in reemploying FREI participants have a strong emphasis on the follow-up phase of the program. In PY2004, we will encourage staff in FREI offices to be more diligent in making personal contacts with participants either by phone, email, or local office visit.

In recent years, the Employment Security Commission has developed a strong working relationship with staff at the Commission on Workforce Development and the Division of Employment and Training. These partnerships have enabled us to provide more appropriate services to unemployed individuals including FREI participants and dislocated workers. Through collaborations with these and other partners, economic development efforts in North Carolina have succeeded in bringing jobs to our State. Obviously, these working relationships improve our capabilities for providing services to FREI participants.

Our local office staff have always had strong working relationships with their employer customers. With the high unemployment of recent years, it has been difficult to maintain close and frequent contact with our employer customers. Many of the established customers of the past (i.e. manufacturing), have either gone out of business or moved operations overseas. With a slowly improving economy, staff and local ESC offices will renew their emphasis on marketing services to employers. This should result in more available job listings which will enable staff to provide more reemployment services for FREI participants.

With a more focused selection of participants, even more intensive follow-up, and stronger marketing efforts by ESC staff, we anticipate increasing the percentage of FREI participants entering employment.